

**Indigenous Leadership: Governance and Development Project**

## **Case Study**

# **Northern Village of La Loche | Methy Housing Corporation | Methy Construction and Maintenance Corporation**

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One of the key actions in Saskatchewan's Growth Plan 2020-2030 is to grow Indigenous participation in the economy. The success of this action depends on Indigenous nations in Saskatchewan building and maintaining their economic development activities. The Indigenous Leadership: Governance and Development project provides made-in-Saskatchewan tools for Indigenous communities to build the governance foundation that will support long-term economic development. An important part of the project involves capturing the experience of Saskatchewan Indigenous communities through case studies and toolkits based on this experience.

The case study in this document was developed by a team of researchers and their affiliates at the Johnson Shoyama Graduate School of Public Policy at the University of Saskatchewan. The project is funded by the Government of Saskatchewan's Ministry of Trade and Export Development.

The case studies are designed to be used first and foremost by Indigenous communities across Saskatchewan. The premise of the work is that economic development stories need to be shared among those involved in economic development, both in the community where the economic development activities take place and in other communities looking to undertake economic development. It is important to focus on what has and has not worked. One of the long-term goals is to develop a set of resources that is Indigenous-led and available to Indigenous communities across the province and the country. The cases may also be used as governance training components and/or strategic planning exercises, as well as in teaching.

The case studies combine material from websites and other publicly available sources with material gathered through interviews with leaders and representatives involved in economic development activities. The interviews last between two and four hours and involve a small group of economic development leaders in the community. The questions asked focus solely on the corporate entities and activities that have been developed, and those interviewed are asked questions in their role as a corporate leader.

When approaching community leaders and representatives, they begin with an informal discussion. If the leaders and representatives indicate an interest in participating, they proceed with sending them a formal letter of introduction, which they can use to obtain official permission to proceed. They know communities receive many requests for information, and they do not always see the results of the work that is undertaken. Its goal is to ensure that the case study is shared with the community in a way that is beneficial. To this end, a draft of the case study is shared with the community, and the case study is not finalized until the community gives its agreement. Once a set of case studies have been developed, leaders from the communities involved will be given the opportunity to discuss the findings.

They would like to thank the leaders and representatives for their time and effort. Their knowledge and insights are critical to understanding economic development in Indigenous communities.

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# Northern Village of La Loche | Methy Housing Corporation | Methy Construction and Maintenance Corporation

*Building a Better Future*

## Overview and Key Learnings

- The Northern Village of La Loche (Village), located at the northern end of Saskatchewan's road network, is one of the largest communities in northwest Saskatchewan. The Village has a population of roughly 2,664 residents, 90% of whom are Indigenous (predominantly Métis).
- Like other Indigenous communities, La Loche has a significant need for public and social housing.
- Methy Construction and Maintenance Corporation was established by the Village to participate in community construction projects. Methy Housing Corporation was subsequently established to be a housing developer in La Loche after the Saskatchewan Housing Corporation (SHC) ceased delivery of social housing. Both are non-profit corporations.
- Financing housing projects is challenging with only two potential housing programs available. Therefore, Methy Housing must rely heavily on internal resources and careful management.
- While the Village of La Loche, Methy Housing, and Methy Construction have not resolved the housing shortage in La Loche, their efforts have improved the situation. Since these organizations have the capacity to construct and manage significantly more houses, the greatest constraint to further increasing housing is access to capital.
- While support from northern housing programs has improved housing conditions in the community, an additional federal funding program designed specifically for northern housing would be highly beneficial.

## Northern Village of La Loche

The Northern Village of La Loche, situated in northwestern Saskatchewan, resides within the lowlands of the Methye River basin, adjacent to Lac La Loche's eastern shores. Located about 100 km north of Buffalo Narrows along Highway 155, it is one of the final communities on this northern route. Originally established as a fur trading post by the Hudson Bay Company, La Loche saw significant growth with the establishment of a Roman Catholic school and hospital. Today, it boasts a population of 2,664 (2021 census), making it one of Northern Saskatchewan's largest municipalities. Bordering La Loche to the north is the First Nation community of Clearwater River Dene Nation (CRDN), approximately 90% of whom speak the Denesúliné language.

The nearby hamlet of Black Point lies on the southern shore of Lac La Loche, accessible via Garson Lake Road Highway 956, which leads to Garson Lake. It can take years to build up capability within a business. One important project that Methy Construction took on in building its capability was building a winter road between Black Point to Fort McMurray, Alberta.

At the northern tip of Lac La Loche lies the Methye Portage, historically significant for its role in the North American fur trade. Today, the Methye Portage is part of Clearwater River Provincial Park and designated as a National Historic Site, while the Clearwater River itself holds the status of a Canadian Heritage River.

La Loche grapples with a range of socio-economic challenges stemming from its remote location and historical context. Economic hurdles are prominent, with high levels of unemployment and underemployment due to limited job opportunities, most of which are in sectors like forestry and tourism. Income disparities are significant and financial insecurity is high. Housing remains a pressing issue, marked by overcrowding and shortage, despite ongoing efforts to improve affordability and availability. Health and wellness are concerns, with limited access to healthcare services, mental health support, and healthy food options contributing to health disparities and chronic diseases. Educational attainment lags the provincial average, hindered by infrastructure limitations and socio-economic barriers. Funding constraints impede the delivery of social services, affecting childcare, family support, and elder care. Despite these challenges, La Loche boasts a resilient community with strong cultural traditions and close bonds, factors vital to fostering community resilience and identity.

### **Saskatchewan Housing Corporation (SHC)**

SHC is a crown corporation established in 1978 by the Government of Saskatchewan. SHC's mandate is to offer housing and related services to individuals who face challenges in affording or accessing suitable, safe, and secure shelter. SHC also plays a leading role in formulating housing policies on behalf of the Government of Saskatchewan and oversees financial aspects related to housing initiatives.

SHC finances social housing initiatives, offers grants, and provides incentives for the development of low-income and rental housing across the province. As of 2010, SHC supported approximately 23,500 social and affordable rental housing units, along with an additional 5,400 special-purpose housing units catering to specific needs such as group homes. The corporation channels its efforts through funding programs and projects led by 450 local community organizations, primarily municipal housing authorities. Staffing functions of the corporation are mainly outsourced to the Ministry of Social Services. In response to growing population demands, SHC has devised a new strategic plan aimed at expanding market rental housing and facilitating homeownership opportunities for low-income families.

In April 2019, SHC and the Canada Mortgage and Housing Corporation (CMHC) entered into the CMHC-Saskatchewan Bilateral Agreement as part of the 2017 Saskatchewan National Housing Strategy. The Saskatchewan Co-Investment Program (SCIP) is a provincial initiative designed to complement the National Housing Co-Investment Fund under the National Housing Strategy. Through SCIP, SHC offers project funding in the form of a 10-year forgivable loan to support the development of affordable rental housing for households with low incomes.

Historically, SHC was responsible for building and managing social housing in northern communities including La Loche. However, in about 2012, SHC ceased delivery of new units. Methy Housing Corporation was then established and has become the primary developer of new housing developments in the community.

### **Methy Construction and Maintenance Corporation | Methy Housing Corporation**

Methy Construction and Maintenance Corporation (Methy Construction) and Methy Housing Corporation (Methy Housing) are separate legal entities, both owned by the Northern Village of La Loche. Methy Construction was established first and is a construction company, while Methy Housing is a property developer and manager. Although they are separate entities for legal reasons, both Methy Housing and Methy Construction are overseen by the same seven-member board of directors, consisting

of the mayor and the six council members, who are elected every four years.

The name "Methy" originates from the Methye Portage, a historical trading route dating back to the 1800s. This portage facilitated trade activities and became associated with the region. Consequently, the name "Methy" was adopted for Methy Construction, reflecting the historical significance of the area and its trading heritage.

In the late 1960s and 1970s, all housing in the area was public social housing, primarily delivered by the provincial government with involvement from federal entities. However, construction was primarily undertaken by contractors from the south. To address the dominance of southern contractors, the Village Council decided to establish Methy Construction and Maintenance Corporation. Initially, its involvement in the housing industry was through labor pools or joint ventures. However, by the 1990s, direct involvement in housing construction became necessary due to the decline in new housing projects by SHC. Consequently, the Village established Methy Housing Corporation, which has since become the main developer of new housing in the area due to the absence of a housing market and private developers.

There are approximately 750 housing units in La Loche (see Table 1). While SHC, because of its historical activity, owns and operates the largest number of units, Methy Housing Corporation provides a significant portion of the housing in La Loche.

**Table 1. Housing Entities in La Loche**

Entity	Type	Number
La Loche Housing Authority (SHC)	Rentals	305
Methy Housing Corporation	Rentals	182
Service Providers (e.g., RCMP, Northern Lights School Division, and others)	Rentals	71
Private (acquired through past SHC provincial programs)	Privately Owned	40
Private (other)	Privately Owned	140
Métis Nation – Saskatchewan	Rentals	12
<b>Totals</b>		<b>750</b>

Methy Construction and Methy Housing are overseen and managed by Doug Gailey and Glen Janvier. Originally hailing from Glasgow, Scotland, Doug Gailey made the journey to La Loche in 1975 through the Hudson Bay Company. Since then, Gailey has become deeply ingrained in the fabric of the community, raising a family after marrying a woman from the community. Gailey's career in the Village began around 1977-1978 when he took on the role of recreation director. By 1980, he transitioned to managing the village finances, eventually assuming the position of village administrator in 1982—a role he held until 2015. In 2016, Gailey took on a full-time role as manager of Methy Housing and Methy Construction.

With a career going back to around 1983, Glen Janvier has been instrumental in the construction of approximately 70-75% of the Village of La Loche, whether it has been as a labourer, carpenter, or site foreman. Janvier's contributions to Methy Construction have been substantial. Initially embarking on a carpenter apprenticeship in the late 1990s with aspirations of obtaining a Red Seal certification for Alberta, Janvier found himself drawn to the convenience of working in both La Ronge and Alberta through Methy. Over the course of his career, he has remained dedicated to Methy, solidifying his role as a cornerstone within the organization.

### *Methy Construction Projects and Expertise*

Methy Construction spearheaded the construction of a 55 km all-weather road from La Loche to the Alberta border, providing access to Fort McMurray. This ambitious project spanned a significant period and required funding for heavy equipment training to facilitate its completion. Currently, there exists a winter road that allows travel on the Alberta side.

In the early 1990s, Methy worked on a 36-unit housing project as a site foreman under supervision, collaborating with a southern construction company. Subsequently, Methy Construction took on a 20-unit project with the Home Center in Meadow Lake. Around 2002, Methy independently tackled a 40-unit project, overcoming challenges to successfully complete it with a team of approximately 40 employees. This endeavor involved various tasks, from concrete work to finishing touches, and took several years to finish. Methy Construction continues to oversee tasks such as excavating basements, pouring concrete, and procuring materials for stick-built construction projects.

Methy's projects encompass not only residential housing but also commercial developments within La Loche. In the 1990s, Methy Construction undertook projects such as building a provincial office building that currently houses various government departments and services. Additionally, Methy Construction owns the building that housed a liquor board store for 30 years until the government's recent decision to divest from liquor board stores. Negotiations are underway to sell the building. Methy Construction has also been involved in constructing community halls, town offices, preschools, and other essential infrastructure projects.

Acquiring capital for these substantial undertakings is a critical aspect of Methy's operations. While Methy utilizes bank loans to finance its projects, it also leverages its equity and manages overhead and operating expenses meticulously to ensure the feasibility and prosperity of its initiatives. Methy has also strategically leveraged loan programs tailored for Northern communities. These programs enabled the construction of vital infrastructure and special projects, including the provincial office building and liquor store. Repayment for these endeavors extended over two decades.

### **Housing Development Process**

Each year, SHC and the Métis Nation-Saskatchewan Reaching Home Program advertise a call for proposals throughout the province to qualified housing corporations and private developers.

Based on Methy Housing Corporation's targeted tenants, Methy Housing's manager prepares a proposal and submits it to potential funders. Proposals are highly detailed, with review often taking two to three months. To qualify for SHC's Rental Development Program, the proponent must contribute 25 percent of the total project costs, since the Rental Development Program will only fund 75 percent of the program costs. In addition, the community must make a substantial contribution to the project. Methy Housing has been able to use the Métis Nation Reaching Home Program to provide the 25 percent contribution, while the Village of La Loche's contribution is the land.

Funding under the Rental Development Program comes in the form of a forgivable mortgage amortized for a period between 10 and 16 years. The funders impose several requirements on clients renting the proposed units, with the client's income determining the size of the rental unit for which they qualify, and the corresponding maximum monthly rent they are to pay. For instance, as shown in Table 2, to

qualify for a one-bedroom apartment, a client would have to have an income of less than \$40,500; if they qualified, their monthly rent would be \$400. Maximum Incomes are set by SHC. Rents are based upon Social Services' Shelter Allowance. All Methy tenants are low income, with the majority receiving Social Assistance. Other variables can also affect rental rates.

Table 2. Lender's Requirements on Clients Accessing Housing Under the Rental Development Program effective July 1, 2023.

Client's Maximum Income	Eligible Apartment Size (# of Bedrooms)	Maximum Monthly Rent
\$40,500	1	\$400
\$50,000	2	\$589

Following the approval of housing project funding, Methy Housing enters into a labour-service agreement with Methy Construction to build the housing units. Methy Housing also tenders five components of construction:

- Supply and delivery of materials;
- Electrical sub-contract;
- Mechanical sub-contract;
- Supply and delivery of kitchen cupboards; and
- Supply and delivery of windows and doors.

Methy Housing benefits from strong relationships with suppliers for sourcing materials such as lumber. By utilizing multiple suppliers and comparing prices, Methy can secure materials at competitive rates, which helps keep construction costs low. This approach also supports the regional economy by distributing business among different suppliers and fostering healthy competition.

### *Managing Housing Rentals*

Managing housing as a landlord presents various challenges, particularly concerning social assistance and housing eligibility criteria. However, most tenants remain diligent in rent payments. Given Methy's pivotal role in providing housing in the community, maintaining standards is paramount. La Loche has historically faced a housing shortage, evident from the substantial number of housing applications, typically exceeding 200 at any given time, and the existence of a waiting list.

Methy Construction manages housing primarily for individuals from La Loche. A significant portion of clients are single mothers with one or two children. Applications from single individuals are also considered. Priority for housing is not based on specific demographics like age or occupation, but rather on eligibility criteria set by Methy Housing which are usually based on restrictions and criteria from project funders. The board meticulously reviews all applications and follows a structured process for tenant selection. Methy Housing does not have housing specifically designated for elders, as that responsibility falls under the local housing authority, which is managed by SHC.

Methy Housing, Methy Construction, and the Village Administration operate under one roof in the village office, facilitating rent and utility payments. Tenants have various payment options, including in-person cash payments and electronic transactions via email. La Loche lacks banking and financial institutions; Buffalo Narrows is the nearest option.

Given the various ages of the properties and the need for tasks like shingle replacement and furnace

maintenance, significant management is required. Methy Housing sets aside a designated portion of its annual budget for repairs and maintenance and housing renovations when units become vacant.

### **Impact**

Since Methy Housing began building houses in the community, there has been a noticeable improvement in the alleviation of overcrowding. However, the issue has not been resolved since the population continues to increase each year. Additional funding is needed to address the overcrowding situation.

Methy Housing has played a pivotal role in providing housing for essential healthcare professionals in La Loche, including doctors, nurses, and staff working at the local hospital. By offering accommodations for healthcare workers, Methy Housing has facilitated the recruitment and retention of crucial personnel, ensuring the community has access to essential medical services.

To address homelessness in the community, the Village launched its Tiny Homes initiative. In 2022-23, 28 tiny homes were delivered by Methy Housing. Twenty two of the 28 homes were funded by the Rental Development Program and the MN-S Reaching Home Program. The other eight were funded 100% by the Metis Nation of Saskatchewan directly.

### **Challenges and Opportunities**

#### *Northern Housing Program*

While La Loche is appreciative of the past and ongoing funding support of SHC and MN-S Reaching Home, an ideal northern housing program would include more direct federal funding to adequately support Northern communities. Currently, communities like La Loche are financially burdened, as they are required to contribute a significant portion towards housing projects, including providing land for development. This places a strain on the village's finances, particularly when creating new subdivisions, which is costly in Northern regions. Access to federal funds for employment initiatives is also necessary to alleviate financial pressure and support community development.

#### *Development of Human Capital*

Job creation has been an important outcome of Methy Housing's construction initiatives in the community. The number of job opportunities generated is contingent upon factors such as the volume of housing units being built and the resources available, and thus fluctuates annually based on these variables.

Methy's contributions to talent development are evident as individuals gain skills through house construction and road projects, often leading to opportunities elsewhere, like employment with Cameco or in Fort McMurray.

#### *NexGen Project*

NexGen Energy is in the process of developing a uranium mine called the Rook I Project. La Loche and Clearwater River Dene Nation are the closest communities to Rook I. At this time, Methy is primarily focused on its core activities. However, opportunities for contracting work with Clearwater and various

First Nations, as well as through joint ventures with them, may arise in the future. NexGen has made commitments to create jobs, business opportunities, and contract opportunities for La Loche residents, which could potentially include housing projects.